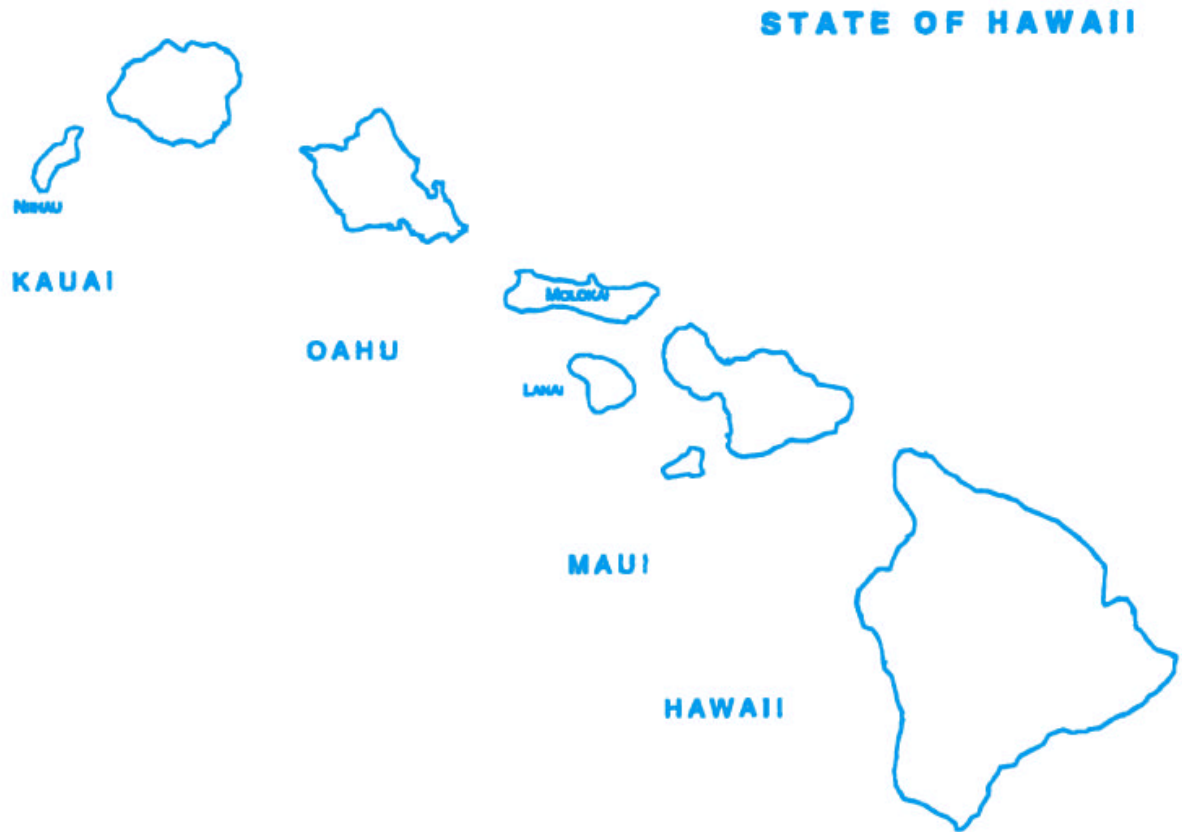
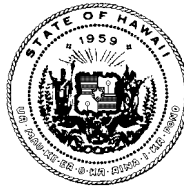


DEPARTMENT OF HUMAN SERVICES
REPORT ON FISCAL YEAR 1998



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January 2, 1999

Dear Reader,

Aloha. This is the Annual Report of the Department of Human Services for Fiscal Year 1998.

The Department of Human Services provides services to protect and help residents of Hawaii who are in need. Our responsibilities cover welfare programs, child care, adult and child protective services, medical assistance and vocational rehabilitation services for the disabled. Within the limitation of our resources, our staff have continuously provided services that have received national recognition.

This report describes the major programs, their goals and achievements in Fiscal Year 1998.

Mahalo nui loa!

Sincerely

Susan M. Chandler, Director

AN EQUAL OPPORTUNITY AGENCY

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**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES**

INTRODUCTION

Mission

The mission of the Department of Human Services is to direct our resources toward protecting and helping those least able to care for themselves, and to provide services designed towards achieving self-sufficiency for clients as quickly as possible. We are committed to maintain a high level of quality, efficiency and effectiveness in our services.

Goals

- To provide social services that will strengthen families.
- To provide protective services for children and adults that are tailored to respond to each individual's and family's needs.
- To provide cash assistance, food stamps, and health insurance to individuals and families accurately, appropriately and in a timely manner.
- To provide job training and placement services to help individuals become financially self-sufficient.
- To work in partnerships with the families we assist, our local communities, other state and private agencies.
- To provide staff training and support that enables DHS employees to do their jobs effectively and efficiently.

Our Belief

People need governmental assistance because they lack sufficient resources to meet their basic needs for shelter, food, medical care, and other essentials of day-to-day living. A financial crisis may be brought about by a variety of reasons such as a parent leaving the home, an illness, an unplanned pregnancy, or the loss of a job.

To meet this need, the Department administers individual and family financial assistance programs. The financial assistance programs provide cash payments to help the individual and families receive basic essentials. The financial assistance programs include Temporary Assistance to Needy Families (TANF), Temporary Assistance to Other Needy Families (TAONF), General Assistance (GA), Aid to the Aged, Blind, and Disabled (AABD), and the Food Stamps program. Medical assistance is provided through the Hawaii QUEST Program and Medicaid fee-for-services. Vocational Rehabilitation Services are provided to persons with disabilities.

While employment will help most of these families become self-sufficient, many face a number of barriers to employment, e.g. lack of job skills and work experience; uncertainty of child care resources; emotional issues due to physical or sexual abuse; drug or alcohol addiction; lack of transportation, and low self-esteem. Help in removing such barriers will increase the family's chances of attaining and maintaining self-sufficiency.

In addition to financial assistance, the Department provides employment and training programs for individuals and families to help them earn enough income to meet their basic needs. These programs provide evaluation, counseling, training, and job placement services.

In any society there are people who are vulnerable to hurtful treatments from others. They include children, the elderly, the disabled and the weak. They need protection against and assistance to remove such ill treatment. The Department will provide a system to help those who are least able to fend for themselves.

Current Organization

The Department of Human Services has approximately 1,600 employees. It is divided into four divisions, supporting by central services from the staff offices. An organization chart is at Appendix A. The Department has branch offices in each county and field offices on all major islands, except Kahoolawe. The Department's budget now exceeds \$1 billion annually, most of which is spent on direct payments to clients, health care benefits, food stamps, and purchase of service contracts provided by private and non-profit organizations.

Significant Achievements

The Department of Human Services has achieved many notable accomplishments.

- In 1998, the Department won \$1.88 million for achieving accuracy in the Food Stamp Program.
- We have significantly increased our focus on helping people attain self-sufficiency. 36.25% of welfare recipients were working or under training for employment during Federal Fiscal Year 1998.
- We provide programs in collaboration with private sector agencies in the neighborhoods, which we serve.
- Clients have easier access to additional resources because of expanded collaboration with partners such as the Family Court, schools, Department of Health, private agencies and the community.
- Our service delivery system is more community focused and locally based using community knowledge and resources.
- The Department implemented statewide the Electronic Benefits Transfer (EBT) for the delivery of benefits to recipients years ahead of federal requirements.
- The Department has initiated several child welfare reform programs such as Ohana (Family) Conferencing.

The Department of the Future.

- The Department is committed to protecting the most vulnerable citizens in the state.
- The Department will continue to develop outcome-based services. Our work is measured by its outcomes for people, not its processes.
- We have reorganized to streamline the management and service delivery systems. We will continue to locate services in the community.
- We will ensure everyone who is eligible for assistance receives it quickly and enters into activities that move them toward self-sufficiency. In 1999, our target for employment participation rate for welfare recipients is 40% of able-bodied adults.
- The Department will aim at increasing productivity through upgrading technology, a committed workforce, and increased collaboration with our private-sector partners.

CHAPTER ONE

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) AND TEMPORARY ASSISTANCE TO OTHER NEEDY FAMILIES (TAONF)

Program Description

TANF/TAONF are the new welfare reform programs which were designed to protect those who cannot work and to require those that can work to work. Unlike the old welfare program which fostered dependence and low self-esteem, the TANF/TAONF programs encourage work and promote self-reliance, responsibility and family stability. TANF/TAONF offer a package of strong work incentives, childcare support for working parents and restructured welfare benefits so it “pays to work”.

TANF/TAONF provide monthly cash benefits to families for food, clothing, shelter, and other essentials. For non-exempt families, eligibility for monthly cash benefits is limited to five years. To qualify, a family must include children under the age of 19 and the family’s total gross income must be under 185% of the 1993 federal poverty level (FPL) by household size for Hawaii. For a household of three persons, this means a monthly income of less than \$2,109. For an exempt household, their income must be under 62.5% for the 1993 FPL by household size. For a non-exempt household, their net income must be under 50% of the 1993 FPL by household size. (Again, for a household of three, 100% of the 1993 FPL is a monthly income of \$1,140.) All TANF/TAONF households are permitted to acquire resources or assets, but the combined total must be under \$5,000. One vehicle per household and the home in which a household resides are exempt from consideration as an asset/resource.

Whether a family participates in TANF or TAONF depends on the household composition. In families where all the members are U. S. citizens and all the children do not have two legal parents residing in the home, the family is eligible for federally funded welfare under TANF. Families that contain at least one non-citizen or where at least one child has both of his or her parents residing in the home, are eligible for state-funded welfare under TAONF. Other than the funding sources, the TANF/TAONF programs are identical.



The Electronic Benefits Transfer (EBT) card system was implemented in 1998. This card has the individual’s cash benefits and food stamp equivalent which may be drawn down like a debit card.

Program Goal

Families will achieve financial self-sufficiency.

Objective	Measurements
The total economic well-being of the client will improve.	1. Average earnings per case will increase 2. The proportion of individuals working increase. 3. Total income will increase. 5. Hours worked will increase.
Objective	Measurements
Family stability will improve.	The percentage of intact (two parent) households will increase.
Recidivism will be reduced.	Fewer cases will return to welfare once off.
There will be increased financial assistance program savings.	Financial assistance program costs will decrease.

Achievements in 1998

Hawaii's welfare reform program is innovative, progressive and realistic. It provides the right combination of incentives to work and disincentive to remain dependent on public assistance and can already boast of its early success. The cost of assistance per TANF household has decreased from \$584 in fiscal year 1997 to \$496 in fiscal year 1998. The cost of assistance per TAONF household has decreased from \$636 per household to \$604 per household in the same time period. In fiscal year 1997, two parent families represented 13% of our TANF/TAONF caseload. In fiscal year 1998 they represented 26% of our TANF/TAONF caseload. The average length of time on assistance has decreased from 30 months to 29 months. The number of employed individuals increased from 6,550 in fiscal year 1997 with gross income of \$3.7 million to 7,596 in fiscal year 1998 with gross income of \$5.1 million. We have also developed a working relationship with the Office of Community Services to do job counseling and job development for our non-English speaking clients. These services will be provided in their native language. We have contracted with community agencies to provide job development and job placement for our two parent households. We have also developed a domestic violence exemption program and are in the process of developing a grant diversion program for non-profit agencies.

Welfare Costs (By Selected Months)

	Dec. 96 (FY 1997 – Included for Comparison)	Sept. 97	July 1998
No. of Households Assisted	22,785	23,573	23,528
Monthly Benefits Paid to Recipients	\$15,070,488.	\$12,920,843	\$11,324,230
Households Reporting Earnings	5,546	6,548	7,131
Gross Earned Income Reported	\$218,399	\$3,717,973	\$5,113,881
Monthly Savings to DHS as a Result of Earnings	\$167,251	\$1,443,317	\$1,953,247

The People Served by the TANF/ TAONF Programs

Each family that receives financial assistance, whether funded through the TANF or TAONF programs is different. However, we can identify characteristics which are common.

TANF/TAONF Caseload

Fiscal Year	Families per Month
1996	21,968
1997	22,333
1998	23,530

Average Length of Time on Assistance

29months

Size of Family

Average Case Size	3.2 people
No eligible adult and 1 child	7.4%
No eligible adult and 2 children	3.6%
1 adult and 1 child	25.3%
1 adult and 2 children	17.6%
1 adult and 3 or more children	16.1%
2 adults and 1 child	6.9%
2 adults and 2 children	7.6%
2 adults and 3 or more children	11.8%

Head of Household Characteristics

Female	72%
Male	27%
Under 34 years old	62%
Never married	45.4%
Married	31.7%
Separated or divorced	22.3%
Head of household disabled	23%
Head of Household with Grade 12 or higher education	62%

Ethnicity

Mixed ethnicity, other than Part-Hawaiian	30%
Part-Hawaiian	28.4%
White	14.9%
Samoan	6.5%
Filipino	10.8%
Hispanic, Black or Asian	9.7%

Citizenship

United States (TANF)	100%
United States (TAONF)	87.7%
Non-Citizens (TAONF)	12.3%

CHAPTER TWO GENERAL ASSISTANCE (GA) PROGRAM

Program Description

The General Assistance Program provides cash benefits for food, clothing, shelter, and other essentials to adults without minor dependents who are disabled and who do not qualify for Social Security. To qualify, the adult must have little or no income, not qualify for a federal category of assistance and must be certified by a DHS medical board to be unable to engage in any substantial employment of at least thirty hours per week for a period of at least sixty days.

The GA assistance amount is adjusted throughout the year, based on the number of people participating in the program. The adjustment is the result of a block grant appropriation from the legislature. It is necessary to remain within the funding allocation so the monthly benefit amount may vary throughout the fiscal year.

Program Goal

To provide temporary economic assistance to those eligible for financial support, to assure they receive at least a minimally adequate standard of living.

Objective	Measurements
Eligibility based on disability will be standardized.	All applicants will be referred to a medical provider contracted by the department and 100% of disability statements will be reviewed by departmental board
Supplemental Security Income SSI referrals and approvals will increase.	Based on departmental board review and recommendation, clients will be referred to Legal Aid Society of Hawaii for SSI advocacy.

Achievements in 1998

All individuals who claim a disability, are being examined by a departmental board. This process has been implemented state-wide and has standardized the definition of disabled. All those needing assistance are now being judged on the same scale. We also amended the definition of unemployed to include those who were unable to work 30 hours rather than 20 hours.

The Legal Aid Advocacy contract for Social Security Benefits was extended to maximize those receiving assistance. We feel these two changes have been instrumental in decreasing the average length of time on assistance from 17 months to 10 months.

The People Served by the General Assistance (GA) Program GA Caseload

Year	Individuals per Month	Families per Month	Persons per Month
1996	9,910	1,593	16,066
1997	6,516	701	9,273
1998	6,235	None	6,367

Typical Characteristics

Characteristic	Individuals
Age of Head of Household	
Between 25-29	18.8%
Between 30-54	71.3%
Marital Status -- Single	54.0%
Gender of Head of Household	
Male	60.2%
Female	39.8%

Ethnicity

White	34.2%
Mixed ethnicity, other than Part-Hawaiian	20.8%
Part-Hawaiian	20.3%
Filipino	7.5%
Japanese	4.5%
Black	3.0%
Hispanic	2.7%
All others	7.0%

Citizenship

United States Citizens	95.1%
Non-Citizens	4.9%

CHAPTER THREE

AID TO THE AGED, BLIND AND DISABLED (AABD)

Program Description

AABD provides cash benefits for food, clothing, shelter and other essentials to adults who are elderly (65 years of age or older) or that meet the Social Security Administration (SSA) definition of disabled. To qualify, the individual must have countable income which is below 62.5% of the 1993 federal poverty level and may not have resources in excess of \$2,000 for a single person and \$3,000 for a couple.

Program Goal

To provide economic assistance to those eligible for financial support to assure they receive at least a minimally adequate standard of living.

Objective	Measurement
To decrease or contain the cost of issuance of state benefits through the SSA	
To guarantee that all of those desiring assistance, who are eligible, receive benefits.	
Expedite the reimbursement of SSI benefits to eligible households.	All reimbursements will be completed within 30 days of the department receiving a warrant from the SSA

Achievements in 1998

The department cleared the backlog of cases and is current in its reimbursements of SSA warrants.

Reimbursement of State Funds from SSA

Fiscal Year	Reimbursement from SSA	Cost of Contract with Legal Aid Society of Hawaii for Reimbursement Activities	Gain
1998	\$1,439,208	\$159,813	\$1,279,395

The People Served by the Aid to the Aged, Blind and Disabled (AABD) Program

AABD Caseload

Year	Cases per Month	Persons per Month
1996	2,579	2,840
1997	2,644	3,060
1998	2,772	3,213

Typical Characteristics

Characteristics	Individuals
Age of Head of Household	
Under age 65	50.9%
Age 65 and over	49.1%
Marital Status	
Married	30.29%
Single	25.44%
Widowed	22.5%
Gender of Head of Household	
Female	56.9%
Male	43.1%

Ethnicity

Filipino	30.2%
Other	18.3%
White	11.3%
Hawaiian or Part Hawaiian	11.2%
Chinese	10.8%
Korean	6.7%
Japanese	5.4%
Others	6.1%

Citizenship

United States Citizens	63%
Non-Citizens	37%

Other Data

Average Length of Time on Assistance	26 months
Household Size	
One member households	85%
Two member households	15%

CHAPTER FOUR FOOD STAMP PROGRAM

Purpose of the Food Stamp Program

In addition to cash assistance, eligible low-income families may purchase food using their Electronic Benefit Transfer (EBT) Card. The EBT card replaced food stamp coupons on all islands in August, 1998. The Food Stamp Program is a federally funded program through the U.S. Department of Agriculture. The purpose of the program is to safeguard the health and well being of the nation's population by raising the level of nutrition among low-income households.

To qualify, a household must have income below 130% of the federal poverty level which is \$1,071 for a family of 3 in 1998. Households may not have resources in excess of \$2,000 unless one of the members is over age 60. The resource maximum for these households is \$3,000. Benefit amounts are based on income and family size. The current maximum benefit amount for a family of three is \$517.00.

Program Goal

To deliver benefits and services accurately and in a timely manner.

For FY 1997, the division achieved a payment accuracy rate of 95.52%. This rate was the second highest in the nation and resulted in the state receiving \$1,883,730 in additional federal funds.

Program Objective

To meet federal compliance standards.

The attainment of the high payment accuracy and improved application timeliness has ensured that the division will continue to meet federal compliance standards.

Statistical Summaries

Number of Persons Participating in the Food Stamp Program

Program	AFDC	AFDC-UP	GA	SSI	ABD	NPA	Total
Monthly Average:	52,345	22,275	5,374	10,800	1,591	27,830	122,215

AFDC = Aid to Families with Dependent Children recipients

AFDC-UP = Aid to Families with Dependent Children -- Unemployed Parents recipients

GA = General Assistance recipients

SSI = Supplemental Security Income recipients

ABD = Aid to the Aged, Blind and Disabled recipients

NPA = Non-Public Assistance recipients

Number of Households Participating in the Food Stamp Program

Program	AFDC	AFDC-UP	GA	SSI	ABD	NPA	Total
Monthly Average:	16,674	5,369	5,120	9,171	1,409	16,520	54,263

Food Stamp Coupons Issued in Terms of Dollar Amount

Program	AFDC	AFDC-UP	GA	SSI	ABD	NPA	Total
Monthly Average:	\$6,481,994	\$2,559,243	\$885,445	\$1,308,332	\$231,505	\$3,510,810	\$14,977,329

Impact of Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) on the Food Stamp Program

The following were the major changes made as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996:

- Most legal immigrants are ineligible for benefits.
- New work requirements for Able-Bodied Adults without Dependents resulted in certain recipients receiving benefits for a maximum of three months in a thirty-six month period.
- The state is required to make available information to law enforcement officials under certain conditions.
- Disqualification penalties for Intentional Program Violators are doubled.
- The application processing timeframe for expedited services was extended to seven calendar days.
- Fleeing felons, probation violators and parole violators are ineligible for benefits.
- The resource limit for the fair market value of vehicles was raised to \$4,650 (up from \$4,500).

CHAPTER FIVE FIRST-TO-WORK

Program Overview

The First-to-Work (FTW) Program was implemented during FY 1997. This work program replaced the JOBS Program, and is designed to assist able-bodied adults become attached to the workforce. FTW serves TANF recipients and puts emphasis on: employment, skill-building, training, on-the-job training, and job search activities. FTW also provides supportive services like childcare, transportation reimbursement, and work related expenses.

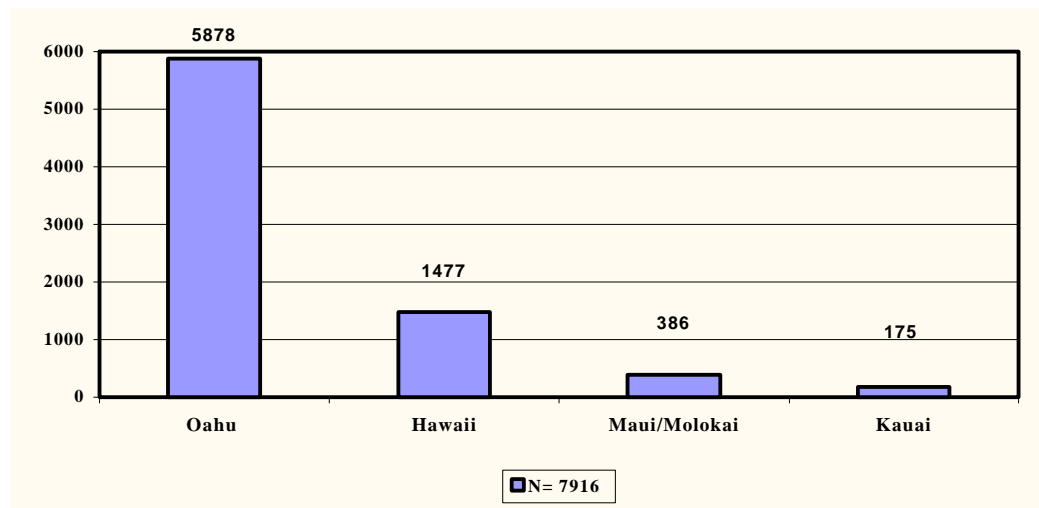
Program Goal

To assist able-bodied persons obtain employment and to become self-sufficient.

People Served by the Work Program:

	FY 1995	FY 1996	FY 1997	FY 1998
Oahu	3028	4804	5248	5878
Hawaii	858	945	1100	1477
Maui/Molokai	210	208	354	386
Kauai	149	137	166	175
Total	4245	6094	6868	7916

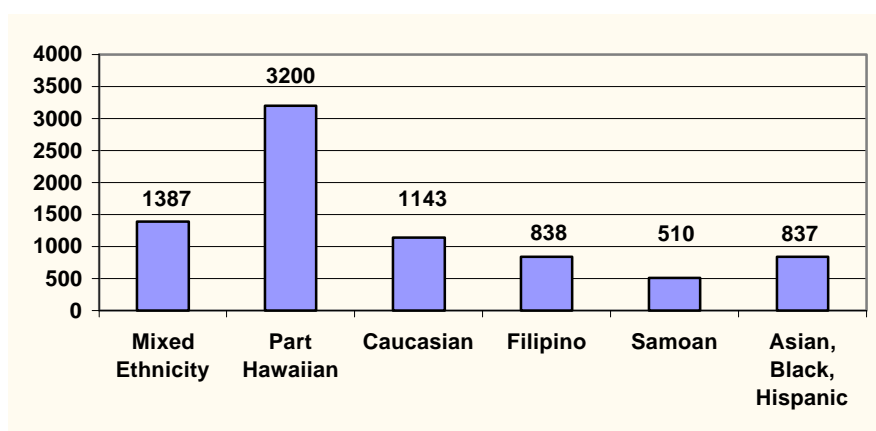
First to Work Clients Served by Island FY 1998



Age Distribution of FTW Clients: FY 1998

Age	Count	% of Total
16 to 24	1648	20.82%
25 to 34	3267	41.27%
35 to 44	2361	29.83%
45 to 55	585	7.39%
Total	7861	

Ethnic Distribution of FTW Clients: 1998



Program Highlights-First-to-Work Program

- 3,638 intakes into the First-to-Work Program in FY 1998.
- An average of 139 participants per month were enrolled in Ho'ala or 1,666 participants for the year. (Ho'ala is a program run by the City & County of Honolulu, on contract with DHS, that provides job preparation and readiness skills and self-esteem building to clients.)
- A total of 18,586 childcare slots were provided during the year to FTW participants. This amounted to an average of 1,549 a month.
- During FY 1998 the Work Plus Program had an average number of placements of 480. (Work Plus is a program that places recipients in public agencies for training and work experience.)
- During FY 1998 the Transitional Opportunity Program (TOP) had an average number of placements of 120. (The TOP program is a public-private sector partnership that places recipients in private sector jobs for training. The aim is encourage private sector employers to hire the recipients after the six-month training period.)

Progress on Program Outcomes

- During FY 1998, the average number of participants working while in the program averaged 1,498 for the year.
- By the end of June, there were a total of 3,992 Temporary Assistance for Needy Families (TANF) clients working and 3,616 Temporary Assistance for Other Needy Families (TAONF) clients working. Together there were 7,608 clients working as of June 1998. Both programs, TANF and TAONF, provide cash assistance to families with youth children. The only difference lies in the source of funding. TANF is funded by federal as well as state money whereas TAONF is funded solely with state money.
- A total of 431 FTW participants exited the program due to employment during FY 1998. This number is lower than the last 2 years because of a change in program policy that required cases to close when clients have worked an average of 20 hours per week for 90 consecutive days. This policy was adopted so that more clients could be served. The number of cases released in this manner during FY 1998 was 517. Total exits from FTW due to employment equaled 948.
- The average wage for clients exiting employment in FY 1998 was \$8.16 per hour, compared to \$7.65 per hour in FY 1997. The median wage for FY 1998 was \$7.50 per hour compared to \$7.00 per hour in FY 1997.
- The dollar value savings for the 431 exits in reduced benefits due to employment was \$2,735,988.
- Progress on achieving 30% performance target for FFY 1998:
 - Achieved 32.5% participation rate for time period January to March 1998;
 - Achieved 40% participation rate for time period April to June 1998; and
 - Average participation rate for FFY 1998 is 36.25% pending final quarter numbers.

Future Performance Targets

Performance Targets for the First-to-Work Program for FFY 1999 will be:

- To have 40% of the TANF mandatory population meeting the 20 hour participation requirement by September 30, 1999. This target compares to the Federal expectation that 35% of the population be in compliance with this requirement by that time.
- To have 4,500 TANF adults working for pay by September 30, 1999.
- To have 500 TANF participants in Work Plus by September 30, 1999.
- To have 100 TANF participants in TOP by September 30, 1999. TOP is designed to encourage private sector employers to hire participants after a six-month training period at a nominal cost.

CHAPTER SIX CHILD CARE CONNECTION HAWAII

Program Overview

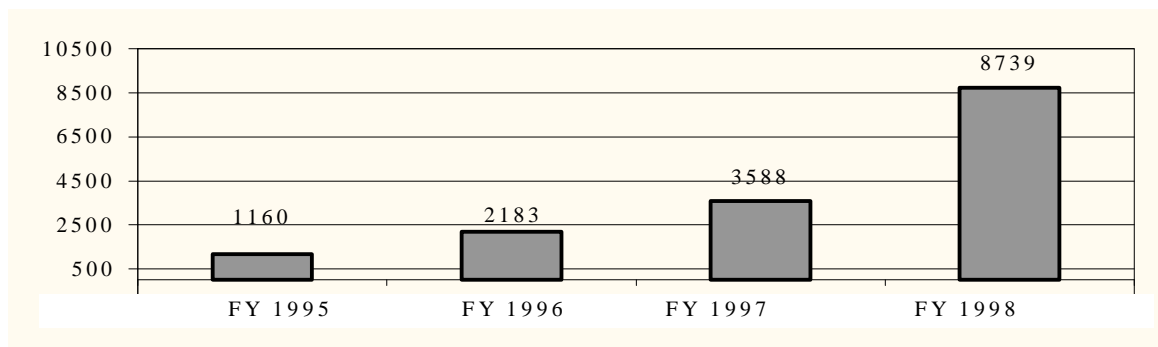
The Child Care Connection Hawaii Program is a statewide service that offers child care licensing and child care payment assistance to needy families. Under the licensing program, the primary intent is to ensure the safety, health, and well being of children cared for within licensed facilities. Under the payment assistance program, financially needy families can apply for child care assistance if they work or are attending training to become self-sufficient.

Program Goal

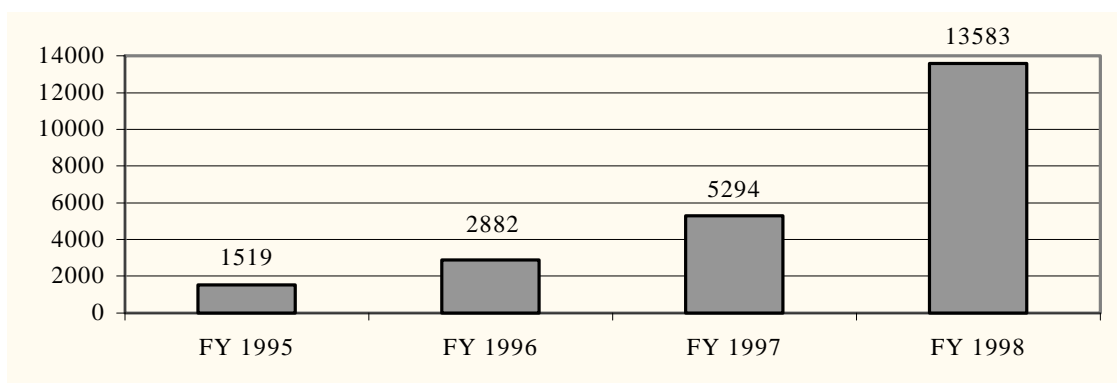
To provide child care payment assistance to needy families so that they can obtain employment and to become self-sufficient.

People Served:

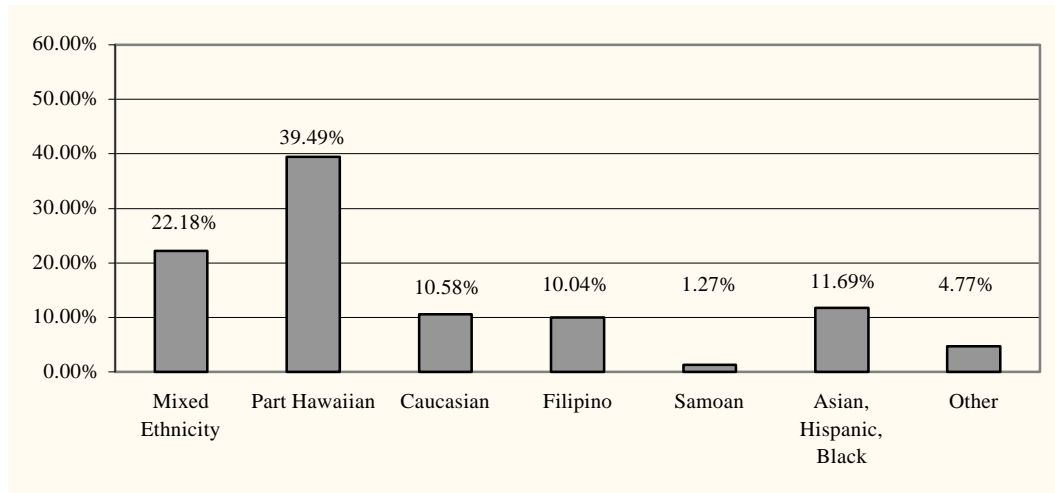
Number of Families Receiving Child Care: FY 1995 – FY 1998



Number of Children Receiving Child Care



Ethnicity of Families Receiving Child Care: FY 1998 (In Percents)



Program Highlights- Child Care Connection Hawaii



- There were 8,739 active families receiving Child Care Payment assistance for 13,583 children.
- Payments totaling \$23,483,367 were made to families.
- Number of Family Child Care Homes Licensed: 495
- Number of Group Care Centers (Includes Before and After School): 552
- Licensed Child Care Slots Available: 11,000+

Future Performance Targets

Performance targets for the Child Care Connection Hawaii Program for FY 1999 are:

- To maintain the current level of Family Child Care Homes licensed by June 30, 1999.
- To maintain the current level of Group Care Centers licensed by June 30, 1999.
- To maintain the current level of Child Care slots available by June 30, 1999.
- To provide child care payments for 13,580 children by June 30, 1999.

EMPLOYMENT AND TRAINING

Program Overview

The Employment and Training (E&T) Program is implemented statewide. This Work Program is designed to assist able-bodied adults to become attached to the workforce. E&T serves Food stamp recipients and puts emphasis on: employment, work experience, training, on-the-job training, and limited job search activities. E&T also provides supportive services in the form of a participant reimbursement to cover work-related expenses and child care.

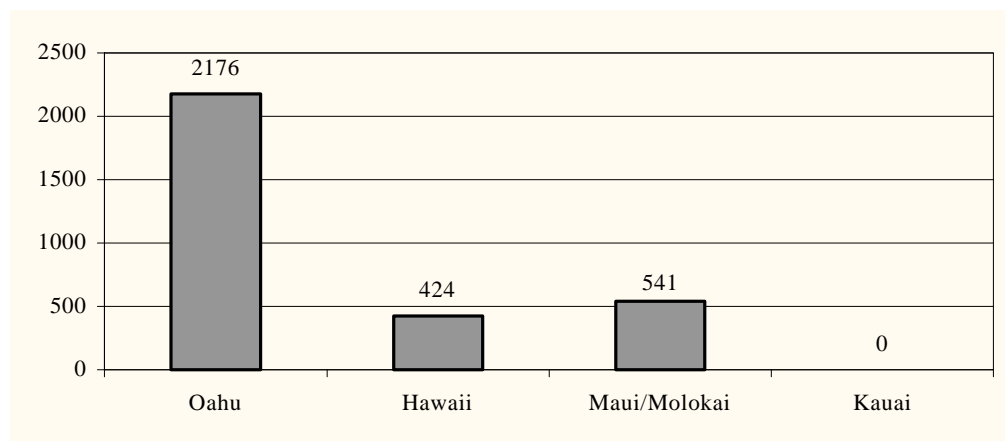
Program Goal

To assist able-bodied persons receiving Food Stamps to obtain employment and to become self-sufficient.

Age Distribution of Person Served By The E&T Program

Age	Count	% of Total
Under 16	0	0.00%
16 to 24	601	19.13%
25 to 34	613	19.50%
35 to 44	925	29.46%
45 to 55	769	24.48%
Over 55	233	7.42%
Total	3141	100.00%

Number of Clients Served By Island: FY 1998



Program Highlights Employment and Training Program

- 1,787 intakes into the E&T Program.
- During FY 1998 a total of 724 clients were employed who worked a total of 178,961 hours during the year.
- During FY 1998 a total of 331 clients were involved in work experience who worked a total of 14,290 hours.
- During FY 1998 there were a total of 486 exits due to employment.
- During FY 1998 the average wage at exit was \$7.80 per hour and the median wage was \$6.00 per hour.

Future Performance Targets

Performance targets for the Employment and Training Program are:

- To have 900 E&T clients employed by June 30, 1999.
- To have 500 E&T clients exit due to employment by June 30, 1999.
- To have 200 E&T clients involved in work experience programs by June 30, 1999.

CHAPTER SEVEN CHILD WELFARE SERVICES

Program Description

The Child Welfare Services (CWS) Program's goals are to ensure the safety and security of children in their own homes or when necessary, in out-of-homes placements.

When a report of child abuse or neglect is received, the program responds by initiating an investigation of the child's situation. In collaboration with the police department, CWS may provide emergency protection for the child by immediately removing the child from his or her family or residential setting. Crisis intervention is provided to protect all children from harm. Treatment, counseling, and referral services are provided as appropriate to assist families maintain safe, nurturing and protective homes for children. When removal from the home is necessary for the safety of the child and the child cannot be safely returned to the family, CWS arranges for foster homes, adoption placement, guardianship or permanent foster home placements to insure that the child is in a safe and stable environment.

The Child Welfare Services program also licenses and monitors foster homes and child placing organizations.

Recent legislative changes both federally and in Hawaii, have strengthened the focus on child protection. Family re-unification efforts will be more time-limited and the Courts will more likely terminate parental rights more quickly. CWS anticipates that the effect of these new laws will be that more children will move into foster placements and subsequently move more quickly into adoptive homes.

Demographics

Number of Confirmed Cases

	FY 1996	FY 1997	FY 1998	FY 1999 Projected
Number Investigated	4912	4979	4978	4900
Number Confirmed	2460	2573	2338	2450

The number of children for whom the Department accepted for investigation of abuse or neglect has remained relatively stable between the fiscal years 1996-1998 as shown by the table above. Based on the trend data it is not expected that the number of investigations for which abuse or neglect is confirmed will decrease significantly. It is also expected that the percentage of victims of abuse or neglect who are female will represent approximately 54% of the total.

Number of Confirmed Cases by Gender

	FY 1996		FY 1997		FY 1998		FY 1999 Projected	
Male	1107	45%	1184	46%	1098	47%	1127	46%
Female	1353	55%	1389	54%	1240	53%	1323	54%
Total Cases	2460	100%	2573	100%	2338	100%	2450	100%

Of particular concern to DHS is the number of children 5 years or younger who are abused or neglected. Children 5 years of age and below are particularly vulnerable to abuse and neglect due to their dependence on their caretakers and the lack of access to that age group by schools and other agencies. Children under 1 account for an average of 15% of the total reports annually, a percentage that is not likely to change.

Number of Confirmed Cases by Age Categories

	FY 1996		FY 1997		FY 1998		FY 1999 Projected	
0 to 1 year	347	14%	347	14%	333	14%	364	15%
1 to 5 years	741	30%	742	28%	701	30%	728	30%
6 to 18 years	1372	56%	1484	58%	1304	56%	1358	55%
Total Children	2460	100%	2573	100%	2338	100%	2450	100%

The Department investigates cases of sexual and physical abuse, physical neglect, psychological abuse and threatened harm. The following table provides data on the distribution of abuse and neglect cases over the past three years.

Distribution of Confirmed Cases by Major Types of Harm

	FY 1996		FY 1997		FY 1998		FY 1999 Projected	
Sexual Abuse	195	10%	171	9%	151	9%	130	7%
Physical Abuse	674	33%	526	27%	355	21%	390	22%
Physical Neglect	273	14%	297	15%	259	15%	280	16%
Psychological Abuse	47	2%	62	3%	65	4%	65	4%
Threatened Harm	825	41%	913	46%	885	51%	900	51%
Total Cases	2014	100%	1969	100%	1715	100%	1765	100%

Outcomes

This year, the Department developed seven outcome statements against which we will assess our year's progress. Data will now be collected for each of these outcomes quarterly and reported each year in the annual report.

Safety

Outcome #1: Reduce the number of confirmed cases of child abuse and neglect for children under the age of 1.

Prevention efforts such as Healthy Start, Baby Safe and Prevent Child Abuse Hawaii are the programs that most clearly influence the progress that the State is making in achieving a reduction of child abuse. The Department's statistics show that between July 1995 and June 1997, the number of confirmed cases under the age of 1 remained relatively stable, a trend that is expected to continue unless there is an increase in prevention efforts for this population.

Outcome #2: Reduce the number of confirmed cases of child abuse and neglect for children between the ages of 1 and 5.

The Department's statistics show a decreasing number of confirmed cases between July 1995 and June 1998. However, the projected number of new cases shows an increase. Many factors may contribute to this increase including the department's ongoing efforts to highlight and prioritize the safety of this extremely vulnerable group of children and the need for more prevention programs.

Permanency

Outcome #3: Increase the number of children under DHS placement with relatives versus non-relative foster care or group homes.

The primary goal of the Child Welfare Services Branch is to protect children from abuse and neglect. For most of the children who come into Child Protective Services, a safety plan is developed, services are provided and, with the Family Court's approval, the child is safely returned to his or her family. Sometimes children are removed from their family and placed into foster homes while the family demonstrates that they can safely care for their child. In order to minimize the disruption for children, the Department will first make an attempt to find a relative who can care for the child. If this is impossible or a safe plan can not be assured, the Department will place a child in a non-relative foster home. DHS is responsible for recruiting and licensing foster parents throughout the state. Recently, the DHS contracted the task of recruiting and training foster parents to the non-profit agency, Child and Family Services.

The purpose of this outcome is to increase the number of kinship placements in appropriate and licensed homes. The table below provides the percent of children in foster care placements, by type of placement for FY's 1995-1998.

Number of Children by Placement Type

	FY 1996		FY 1997		FY 1998		FY 1999 First Quarter	
Relatives	876	32%	868	33%	1190	36%	906	39%
Non-Relatives	1657	61%	1635	61%	1984	60%	1347	58%
Group Homes	194	7%	166	6%	151	4%	77	3%
Total Children	2727	100%	2669	100%	3323	100%	2330	100%

*This table reports only placements for the above listed categories and does not include other settings such as the detention home, runaway, etc.

Preliminary data for 1998 reveals an increase in the number of relative placements, due to the departments aggressive efforts to seek out and license those homes, when appropriate, as foster homes.

Outcome #4: Decrease the time spent in out-of-home placements for children under DHS protection who subsequently are returned safely to their own home.

With new federal laws, child protection agencies must make their recommendations to the Court

more quickly, and permanency decisions will be made by the Court more quickly. Thus, this outcome is to determine if the Department is returning children safely back into their homes and doing it in a timely manner.

Time Spent in Out of Home Placement by Year

	FY 1996	FY 1997	FY 1998
Median Days to Return	51 days	61 days	56 days

Presently the data reveals a trend of between 50 and 60 days between placement and reunification. First quarter data is showing an increase, but it is too early to tell if this trend will continue.

Outcome #5: Increase the number of Completed Adoptions and Guardianships.

Adoptions

The DHS has initiated an adoption backlog reduction project and along with help from the Attorney General's Office and the Family Court, the number of completed adoptions has increased significantly since 1996 as illustrated by the table below.

Number of Completed Adoptions by Year

	FY 1996	FY 1997	FY 1998	FY 1999 First Quarter
Number of Completed Adoptions	81	98	285	69

The department's goal is to increase the number of completed adoptions in 1999. Preliminary data for the first quarter indicates that the rate of adoptions has been maintained. With the department's ongoing effort to increase the number of prospective adoptive homes that are qualified and licensed, the number of completed adoptions should increase again in 1999.

Guardianship

Guardianship is an increasingly popular option for older children who do not want to give up their name, yet are minors in need of a placement with a family. In FY 1997, there were 30 completed guardianships and in FY 1998, there were 57.

Number of Completed Guardianships by Year

	FY 1997	FY 1998
Number of Completed Guardianships	30	57

Outcome #6: Increase the number of successful reunifications for children and their family without a subsequent DHS intervention for the next 12 months.

The rate of successful reunifications has been increasing since 1995. In FY 1996 the rate statewide was 73%. In FY 1997 the rate was 72%, and for FY 1998, 75%. Based on preliminary data the rate of reunification is continuing the upward trend again in FY 1999.

Percentage of Successful Reunifications by Year

	FY 1996	FY 1997	FY 1998	FY 1999 1st Quarter
Number of children	392	558	566	152
Percentage of Successful Reunification's	73%	72%	75%	79%

*Number based on # of discharges for which reunification was the reason for discharge.

Outcome #7: Decrease the length of time families is involved with Child Welfare Services.

Child Welfare Services offers a variety of programs and services that are designed to assist children and families improve their family functioning. However, it is the wish of CWS as well as most families that these services be completed appropriately and in a timely fashion without risking the safety of the child. Thus, this outcome is to examine the time it takes to complete services and successfully close cases.

Length of Time in Child Welfare Services by Days

	FY 1996	FY 1997	FY 1998
Duration of Intervention	382 days	371 days	347 days

The average length of time that a family was involved with CWS has steadily decreased since 1996. The department is cautiously anticipating a slight decrease in the average duration of CWS involvement with families.

There are several reasons for this caution. Media and community concern about several high profile cases tend to make child protection workers more cautious in closing cases. Also, the workers are now seeing more serious cases than ever before. It has been estimated that over 80% of the CPS caseload involving families using such drugs as crystal methamphetamine or crack cocaine. Many families need to enroll in drug treatment programs, which may have waitlists thus lengthening their time with CWS. And as the Department moves away from accepting voluntary cases, the severity of the families being seen will increase thus taking more time to assist.

Accomplishments

The Child Welfare Services Program has continued to make significant progress in its efforts to protect children from harm and neglect.

- CWS has decentralized and re-located its child welfare units into the community. There is a CWS unit on the campus of the Child and Family Services Offices in Ewa. This new building called Hale Pulama Kamalii "the house that cares for and cherishes children" opened in May. In addition, there are now CWS units in Kapolei, serving the Central and Leeward parts of Oahu and in December a Wai'anae Coast office will open.



Staff Celebrating After
the Blessing of Hale Pulama Kamalii

- All CWS staff has been trained in the “strengths-assessment” model of family practice, which focuses on the inherent strengths of all families and their community.
- In February, the DHS instituted a shortage differential pay system for all staff doing child welfare investigations, sex abuse services and assessment. In October, this pay differential was expanded to staff in hybrid units doing the combined tasks of assessment and investigation. This strategy is intended to assist the Department with recruitment and retention.
- The Department and the U.H. School of Social Work have instituted a Child Welfare Education Collaborative funded with federal funds to support students while they get their MSW. Ten students are enrolled in the MSW program and receiving stipends to complete their studies. When they graduate, they will be required to work at child welfare services for at least two years.
- The Child Welfare Program has completed a revised Procedures Manual which will assist in insuring that staff are aware of departmental policies, federal and state laws. This Manual will assist the supervisor to insure that consistently high quality services will be provided across the state.
- In collaboration with the First Circuit Family Court, DHS, the Attorney General’s Office, the Guardians Ad Litem, and the State Foster Parent Association are planning an Adoptions Connections Project to be held next fall. The intention is to complete any outstanding adoptions as possible while recruiting new foster and adoptive parents.
- The Blueprint for Child Welfare Reform Committee has assisted in the development of two Neighborhood Places; one in Waipahu and one in West Hawaii.
- A new Risk Assessment Instrument has been validated and implemented statewide.
- Effective Planning & Innovative Communication, Inc. (EPIC) has contracted with DHS to conduct training statewide for all CPS workers in family group conferencing. Using community facilitators, over 150 successful “Ohana Conferences” have been held designing safety plans with families for their children.
- CWS has increased the earnings of federal funds (Title IV-E) and the claiming of retroactive IV-E monies by \$3.5 million.

Challenges

- Developing an adequate response to the number of clients with substance abuse safety issues.
- Increasing effective collaboration with communities and other state and private agencies.
- Recruitment and retention of qualified staff.
- Increasing the number of qualified and licensed foster and adoptive homes.
- Successful implementation of additional federal and state statutory requirements.

CHAPTER EIGHT

ADULT AND COMMUNITY CARE SERVICES BRANCH

Program Description

The Adult and Community Care Services Branch provides:

- **Adult Protective Services.** The focus of this program is to provide crisis intervention, including investigation and emergency services to dependent adults who are reported to be abused, neglected or financially exploited by others or seriously endangered due to self-neglect.
- **Home and community-based services for frail elders and disabled adults.** These services include chore services, adult day care, and adult foster care (placement and case management for individuals in adult residential care homes).

- **Senior and Respite Companion Programs.** Through these programs low income older adults provide in-home companionship and limited personal care to frail elders and provide respite and relief to caregivers.



Senior Companion Program

- **Foster Grandparent Program.** This program enables low-income seniors to assist children with special needs.
- **Medicaid Waiver Programs.**
 1. **Nursing Home Without Walls (NHWW):** Established in 1983, NHWW provides in-home services, as an alternative to institutional care to Medicaid-eligible individuals, including children, certified as requiring nursing facility level of care.
 2. **Residential Alternative Community Care Program (RACCP):** This program provides a foster placement alternative to institutional care for Medicaid-eligible adults who require nursing facility level care but are not able to benefit from in-home services because they have no caregivers or a residence.
 3. **Developmentally Disabled/Mentally Retarded Home and Community-Based Services Program (DD/MR HCBS):** This program allows for the de-institutionalization of Waimano Training School and Hospital residents. In 1989, services were expanded to include DD/MR individuals living in the community who are Medicaid eligible and certified as requiring ICF-MR care. The Department of Health and DHS collaborate to maximize federal Medicaid reimbursement.
 4. **HIV Community Care Program (HCCP):** Persons diagnosed with HIV infection and AIDS who are Medicaid eligible and certified as requiring nursing facility level care are provided care services that support living in the community during the last stages of the disease.
 5. **Program of All-inclusive Care for the Elderly (PACE):** Established in 1995, this managed care program provides care service alternatives for elders certified as requiring nursing facility care through a Medicaid capitated rate.

Program Goals

- **Safety – Protection Of Vulnerable Dependent Adults**

1. Respond to reports of abuse/neglect of dependent adults.
2. Maintain below 5% the number of dependent adults who are re-abused within a 12-month period.

- **Prevent Premature Institutional Care**

1. Provide a comprehensive system of home and community care.
2. Increase home and community-based care alternatives for frail disabled adults and children.
3. Maximize federal funds for reinvestment in expanding home and community-based care alternatives.

Program Achievements

In Fiscal Year 1998:

- Adult protective reports were received on 467 dependent adults: 40% of the reports were investigated and confirmed for abuse, neglect, or financial exploitation; 77% of the victims were age 60 and older. There was subsequent re-abuse within a 12 month period for 2 % of the confirmed reports.
- Institutionalization was prevented or delayed for 1,435 frail elders and disabled adults through the chore services program, 80 through the adult day care program, 735 through adult foster care services, and 1,607 individuals through the Medicaid waiver programs.
- Respite/temporary relief was provided to an average of 390 caregivers monthly through our Senior and Respite Companion Programs. The programs also supported 176 companions during the fiscal year.
- Through the Foster Grandparent Program, 145 foster grandparents volunteered their time to work with 603 children with special needs.
- Approximately 160 Medicaid eligible, nursing facility level individuals were transferred to the Medicaid waiver program for consumer directed personal assistance program services. As a result DHS claimed \$480,000 in federal Medicaid reimbursement for eligible costs, enabling 80 additional disabled individuals to receive chore services.

Clients Served by Home and Community-Based Programs

PROGRAM	FY 95 Actual		FY 96 Actual		FY 97 Actual		FY 98 Actual	
Adult Services:								
Chore	1435		1562		1460		1435	
Adult Day Care	239		104		95		80	
Adult Foster Care	1019		1032		1031		735	
Senior Companion ¹	119	300	120	300	120	280	121	280
Respite Companion ²	45	120	50	120	55	120	55	110
Foster Grandparent ³	131	590	140	590	140	600	145	603
Adult Protective Services:								
Reports investigated	508		463		451		467	
Confirmed abuse or neglect	268		206		191		189	

1 Reports: Senior companions served annually | Average number of clients served monthly.

2 Reports: Respite companions served annually | Average number of clients served monthly.

3 Reports: Foster grandparents served annually | Children with special needs served annually.

Medicaid Waiver Program

Program	FY 95 Actual	FY 96 Actual	FY 97 Actual	FY 98 Actual
NHWW	NA	NA	353	506
RACCP	49	58	61	133
DD/MR HCBS	NA	NA	637	821
HCCP	NA	NA	87	77
PACE	NA	NA	45	70

FY 1998 Accomplishments of the Adult And Community Care Services Branch

- For the Adult Foster Care Program, new placement procedures and payments established by the legislature were put into effect in FY 1998. In general, the placement process was simplified and payments to home operators increased.
- The Branch began integrating its home and community-based waiver and adult services.
- The RACC Program increased the number of individuals it served by more than 100% over the previous year.
- The NHWW Program met its goal for the number of unduplicated clients it proposed serving. The total number of individuals served in FY 1998 was 43% more than in FY 1997.
- The DD/MR HCBS Program provided services to the maximum number of clients allowed by the program's funding limits. 29% more individuals were served in FY 1998 than in FY 1997.
- The PACE Program initiated planning to become a Medicare/Medicaid capitated program. The Program served 56% more individuals in FY 1998 than in the previous year.

CHAPTER NINE

MEDICAL ASSISTANCE PROGRAMS

Program Description

The Med-QUEST Division administers the State's medical assistance, or Medicaid, programs. Authorized under Title XIX of the Social Security Act, Medicaid is funded through a partnership between the State and the Federal governments, with each paying approximately 50% of the program costs.

Medicaid provides medical coverage for Hawaii's poorest residents. Med-QUEST Division administers two programs which provide Medicaid benefits to eligible residents:

Hawaii QUEST is the State's Medicaid managed care program. It serves about 130,000 eligible individuals statewide who are under age 65 and not blind or disabled. Managed care allows each beneficiary to select the medical and dental plans which provide his or her health care. Beneficiaries choose their own primary care doctor and dentist. The State pays a monthly fee or premium to the participating plans for each beneficiary who is enrolled in that plan.

The Fee-For-Service (FFS) Medicaid program covers about 33,000 eligible residents who are age 65 and over, blind or disabled. In the FFS program, recipients may see any Medicaid provider who agrees to provide service for them; the State pays for the medical service provided.

For both programs, eligible applicants must meet the following requirements:

- U.S. citizen or qualified alien
- Hawaii resident
- Not residing in a public institution
- Have and provide a Social Security Number
- Income not exceeding specified limits
- Assets not exceeding specified limits

Mission of the Division

The mission of the Division is to develop and administer high-quality health care programs serving all eligible Hawaii residents while using state and federal moneys in the most efficient and cost-effective manner possible.

Program Goals

The Division's major goals for the QUEST program are:

- Cover more eligible people;
- Evaluate customer satisfaction with a Customer Satisfaction Survey;
- Reduce the annual increase in cost to cover eligible beneficiaries while maintaining high quality care;
- Increase use of Early Periodic Screening Diagnosis and Treatment (EPSDT) benefits by eligible children;
- Increase immunizations among children and babies;
- Reduce grievances and complaints by providing high quality care.

Program Accomplishment

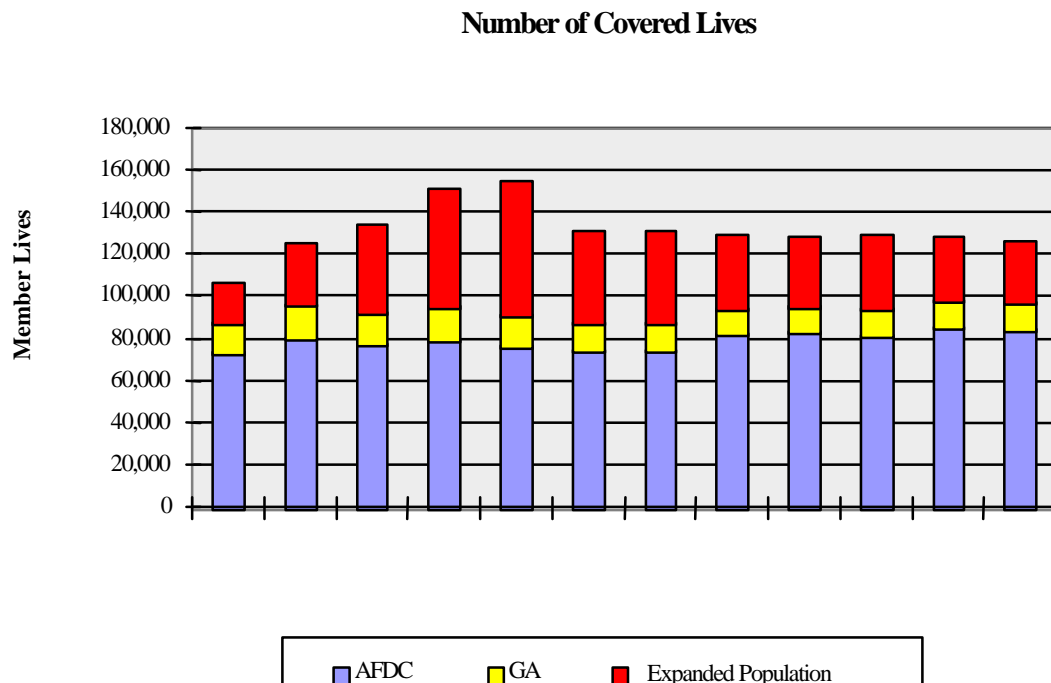
Before August 1, 1994, when the Hawaii QUEST program was implemented, Medicaid was largely a FFS program. QUEST moved those who were under Aid to Families with Dependent Children (AFDC), the State Health Insurance Program (SHIP) and General Assistance (GA) into managed care coverage. QUEST was created to help the State control Medicaid costs while continuing to provide high quality medical coverage to those eligible.

Since QUEST's implementation:

- Thirty-six percent more coverage was provided in the first four years of QUEST than would have been covered under Temporary Assistance for Needy Families (TANF, the new name for AFDC), SHIP and GA.
- Results of a Consumer Satisfaction Survey indicate a high level of satisfaction among recipients.
- Per capita cost was reduced.
- EPSDT utilization and immunizations of children and babies have increased.
- Recent EQRO (External Quality Review Organization) study of EPSDT showed good results.
- Grievances and complaints are low.

More people covered

The following chart shows coverage prior to and since QUEST implementation.



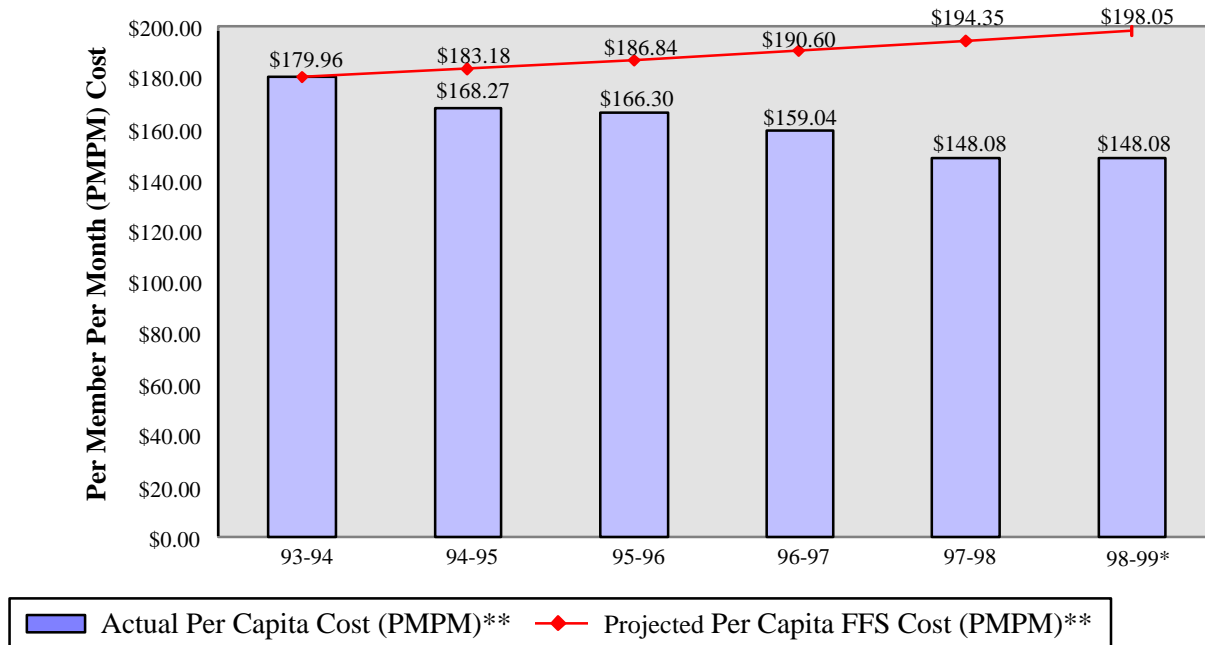
Consumer Satisfaction Survey

The results of a 1997 Consumer Satisfaction Survey conducted by the Med-QUEST Division show:

- Beneficiaries report a high rate of satisfaction
- Improved health status reported
- Access to care improved

Cost per capita

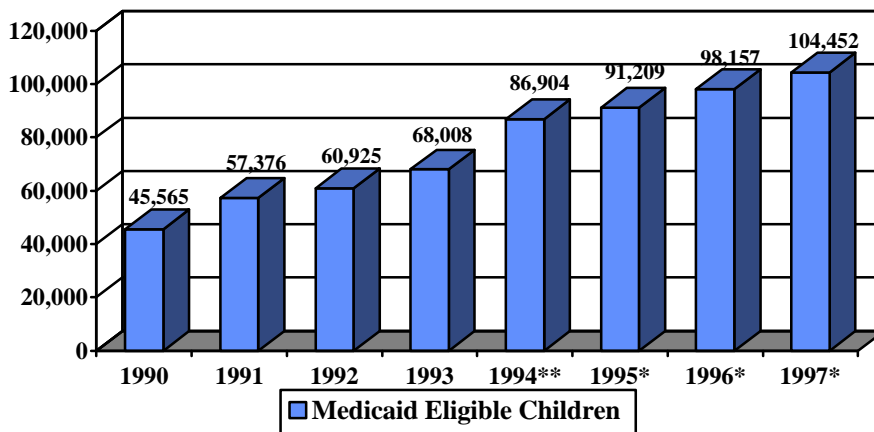
The cost per year to cover each person under QUEST has decreased.



* TANF and GA categories only. ** Include medical benefits and administrative costs only.

Coverage of Children

QUEST and FFS Medicaid have increased coverage of children almost 130 percent since 1990.



Note: EPSDT reporting period uses the federal fiscal year, i.e. October 1 to September 30.

* QUEST EPSDT.

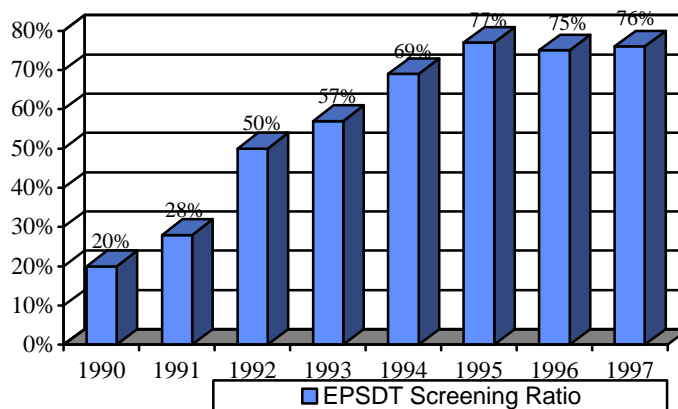
** Includes Medicaid fee-for-service data for period October 1993 to September 1994, and QUEST EPSDT data from 8/1/94 to 9/30/94.

EPSDT

Overall participation in the Early and Periodic Screening Diagnosis and Testing (EPSDT) program for children has increased.

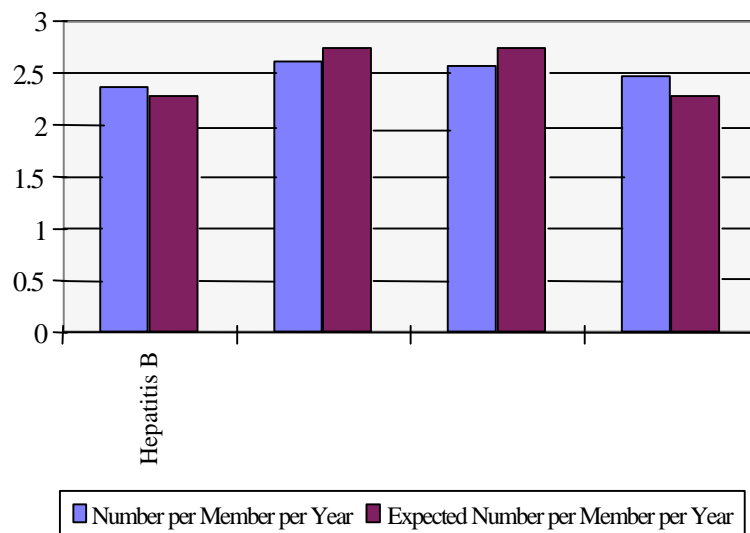
QUEST EPSDT Participation Rate						
			Age Range			
Year	Total Number	Total Rate	< 1yr.*	1-5 yrs.	6-14 yrs.	15-20 yrs.
1993	56,682	42.00%	96.00%	46.00%	28.00%	18.00%
1994	53,228	40.00%	100.00%	44.00%	23.00%	16.00%
1995	91,550	61.45%	93.44%	53.61%	61.51%	43.93%
1996	98,359	61.72%	92.13%	55.07%	63.23%	48.75%

Screening ratios also dramatically increased from 1990 through 1997, indicating improvements in access to EPSDT services for Hawaii children.

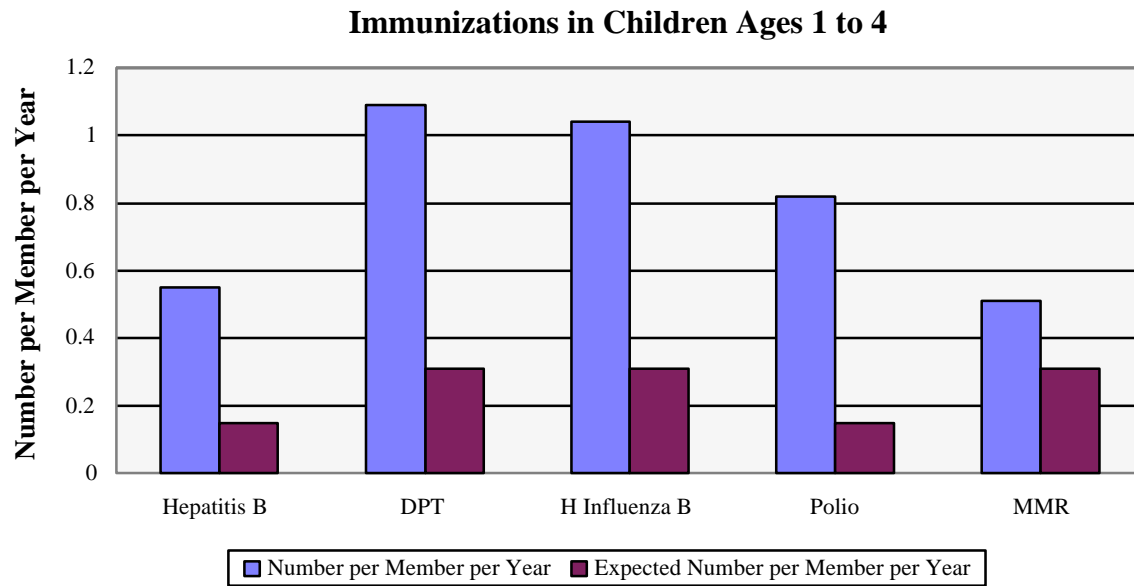


In addition, more babies under age one are being immunized than in the past.

Immunization of Children Under 1 Year of Age

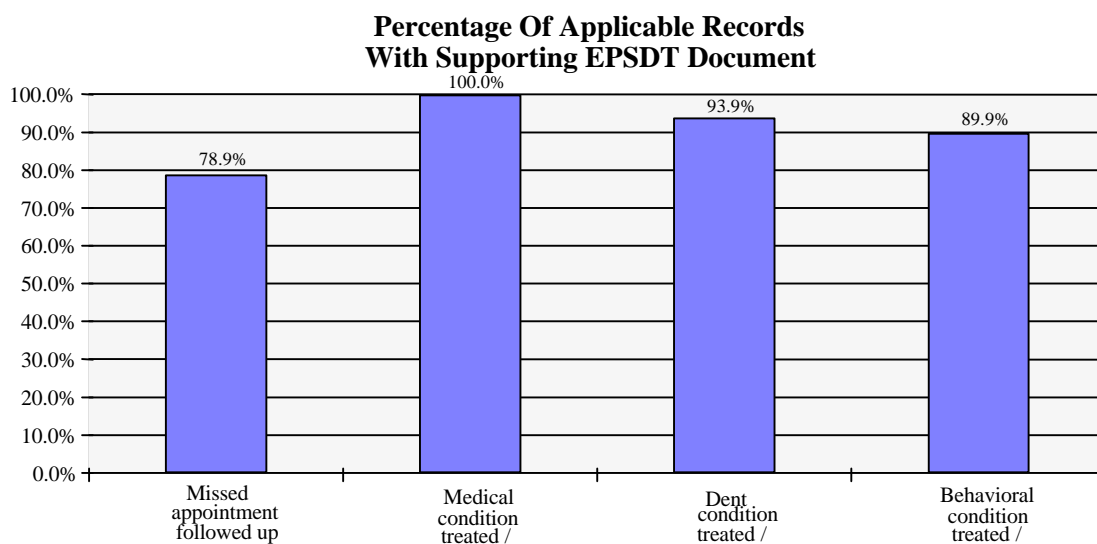


More children over age one are being immunized, too.



EQRO

A recently released EQRO study of QUEST's EPSDT indicates that medical, dental and/or behavioral health conditions were evaluated, treated and or referred upon discovery.



Grievances and complaints

All QUEST plans are required to have internal policies and procedures concerning complaints, grievances and appeals. The number of complaints, grievances and appeals has been relatively low in QUEST, indicating general satisfaction with the program by recipients.

QUEST II

In 1999, the Department anticipates beginning phase two of Hawaii QUEST. QUEST II will enroll some of those who are now in the FFS program into managed care. For more than 4 years, Med-QUEST Division has been working with FFS consumers, advocates, DOH representatives, providers and others in the community to structure the program in a way that will work best for beneficiaries in this population.

Who's Included

Enrollment in managed care under QUEST II is optional for those who are dually eligible for Medicare and Medicaid. All other eligible Medicaid Fee-For-Service beneficiaries will be enrolled in QUEST except those who:

- Reside in nursing homes (ICF and SNF level of care) or who are wait-listed in hospitals for nursing home bed placement;
- Are PACE participants;
- Reside in intermediate care facilities for mentally retarded (ICF-MR);
- Are beneficiaries with spenddown requirements.
- Until a separate managed care plan can be developed, children will not be included.

About 11,000 individuals are expected to be enrolled into QUEST II, not including those who are dually eligible for Medicaid and Medicare who choose to enroll.

Recognizing that these beneficiaries' needs are likely to be more intensive than current QUEST beneficiaries, increased emphasis is being placed on care coordination and the design of a program to meet the greater needs of this population. While the basic benefits of the program will remain the same as those currently provided under FFS, beneficiaries in QUEST II can expect the same advantages of managed care that current QUEST beneficiaries enjoy:

Fee-For-Service Medicaid	Hawaii QUEST Medicaid Managed Care
<ul style="list-style-type: none">• Beneficiaries are responsible for their own care and for finding a provider who will see them.	<ul style="list-style-type: none">• Access to necessary care is assured by the plans. Plans must provide access to care and assist beneficiaries in finding a provider.
<ul style="list-style-type: none">• Consumer protections are minimal. Any properly licensed provider not sanctioned by DHS who is willing to become a Medicaid provider can do so.	<ul style="list-style-type: none">• Consumer protections are built into the program. All plans must have a quality assurance program, a provider credentialing system and must monitor their providers.
<ul style="list-style-type: none">• Beneficiaries may appeal to DHS administration with complaints and grievances.	<ul style="list-style-type: none">• All plans must have complaint and grievances processes in place and report complaints and grievances quarterly to DHS.

Financial Information

FY 99 Revenue Projections for Medical Assistance Programs

General Funds	\$305,897,859
Federal Funds	313,309,900
Transfer Funds (U)	6,000,000
<u>Premium Share</u>	<u>2,544,000</u>
Total Revenue	\$627,751,759

Transfer or U Funds - Allow the State to maximize Federal matching funds for DOH.

Premium Share - QUEST recipients in certain categories and at certain income levels must pay some or all of the monthly premium for their coverage.

FY 99 FFS Medicaid Cost Projections

General Medical	\$297,986,182 (1)
Medicare A Premium	17,775,348
<u>Medicare B Premium</u>	<u>10,595,016</u>
Total	\$326,356,546

FY 98 = 50% State funds: 50% Federal funds

FY 99 QUEST Cost Projections

QUEST Beneficiaries as of 9/30/98	125,000
QUEST Medical/Dental	\$287,268,870
Catastrophic Insurance	9,836,363 (2)
<u>QUEST Behavioral Health</u>	<u>4,134,980</u>
Total	\$301,395,213

(1) Includes deferred payments from FY 1998 - \$5,935,004

(2) Includes deferred payments from FY 1998- \$1,406,363

Third Party Liability Program

In accordance with Chapter 42 Code of Federal Regulations (CFR) section 433.135, the Third Party Liability (TPL) Program ensures that Medicaid Program and QUEST health plan recipients who have other health insurance coverage exhaust their plan benefits before Medicaid or QUEST benefits are utilized. Examples of such health insurance coverage are Medicare, Tri-Care, Veteran Administration (VA), Workers' Compensation, Hawaii Medical Services Association (HMSA), Hawaii Dental Service (HDS), Kaiser, etc. The purpose of this coordination with other health insurance coverage is to avoid costs to Medicaid or QUEST.

In calendar year 1997, the Medicaid Program avoided \$109,726,041 of costs. Of this amount, the Medicare Program alone paid \$88,913,303. The QUEST Health Plan avoided \$2,470,137 of costs.

The TPL Program also recovers paid medical expenses when a Medicaid Program or QUEST Health Plan recipient is injured in a motor vehicle or other types of accident or incident, e.g. slip and fall, assault, product

liability, etc. This area of TPL is known as 'benefit recovery' or 'pay and chase'. Last year, the Medicaid Recovery Unit in the Fiscal Management Office (FMO) recovered \$1,140,527.

In accordance with section 346-37, Hawaii Revised Statutes (HRS), the FMO Medical Recovery Unit also recovers funeral, burial and medical expenses paid by the Department from a deceased recipient's estate. In calendar year 1997, the total amount recovered was \$38,978.

Under section 346-29.5, HRS, when a Medicaid recipient who has home property is confined to a nursing facility (NF) and there is no spouse, or dependent children under 21 years of age, or blind or disabled children, or sibling with equity interest residing in the home, and the patient's confinement in the NF is likely to be permanent, a lien is placed on the home property for medical expenses paid by the Department. In fiscal year 1998, the Department collected a total of \$237, 371 from home property liens.

CHAPTER TEN VOCATIONAL REHABILITATION & SERVICES FOR THE BLIND DIVISION (DVR)



Purpose of Program

The purpose of the VR Program is to assist persons with disabilities into employment. VR Counselors help clients develop plans that meet their individual needs. Services may include vocational assessments, job training, vocational counseling and guidance, physical and mental restoration, supported employment, transition services, assistive technology, job placement and follow-up services.

It is through employment that we empower individuals with disabilities toward economic self-sufficiency, independence, and inclusion and integration into society.

Program Description



The Division provides vocational rehabilitation services to assist persons with disabilities to become employed and contributing citizens of our state. The economic benefits of the VR Program are significant. They include increased earnings and purchasing power, increased taxes paid, and a decreased dependency on public assistance. It is estimated that consumers of VR services who are placed into employment repay the costs of their rehabilitation program within three years through the increase in the amount of taxes they pay and the reduction in public assistance.

People with disabilities want real jobs in the competitive labor market, wherein they can perform real work which contributes to the economy. They want jobs in which they are paid a living wage, so that they can support themselves and their families.

FY 1998 Highlights:

- Only 14% of rehabilitated individuals were competitively employed at application, but 82% were competitively employed at closure.
- The percentage of persons with earned income of any kind increased from 15% at application to 95% at closure.
- Weekly earnings rose by an average of \$182 per person (from \$41 per week at application to \$223 per week at closure).

FY 1998 VR Program Outcomes

VRD served 5,627 citizens with disabilities throughout the state;
Received 2416 New Referrals; and
Assisted 424 individuals in obtaining employment. Of these:

349 (82%) went to work in competitive jobs;
154 (36%) had severe disabilities; and
150 (35%) received Public Assistance prior to their rehabilitation.

A cost effective program, VRD services increased the annual earning power for people with disabilities by 444%, from an average of \$2,132 prior to receiving services to an average of \$11,596 after Rehabilitation.

Trends

	FY 96	FY 97	FY 98
Consumers Served:	5,903	5,773	5,627
Referrals Received:	3,219	2,252	2,416
Placed into Jobs:	460	425	424
In Competitive Jobs:	391 (85%)	352 (83%)	349(82%)
Consumers with Severe Disabilities:	157 (34%)	138 (32%)	154(36%)
Receiving Public Assistance:	190 (41%)	166 (39%)	150%(35%)
Net Gain in Annual Earning Power:	*503%	**790%	***444%
* Pre VR: \$2,2028 to Post VR: \$12,220			
** Pre VR: \$1,508 to Post VR: \$13,416			
*** Pre VR: \$2,132 to Post VR: \$11,596			

Variables Affecting Program Outcome

The degree of success achieved in enabling persons with disabilities to obtain gainful employment is affected by many variables, particularly the availability of funds and personnel. Due to the lack of adequate staffing to meet the needs of all eligible persons with disabilities in Hawaii, an Order of Selection was implemented in Fiscal Year 1995 giving priority for services to those individuals with the most severe disabilities. Hundreds of eligible individuals were placed on deferred services waiting lists, resulting in a drastic reduction in the numbers of referrals from referring agencies and other sources. After three years of intensive and continuous efforts to improve our efficiency and effectiveness in service delivery to avoid deferring services to eligible individuals, the waiting lists were finally depleted at the close of December 1997. Our 1998 outcomes reflect the Division's continuous recovery efforts in spite of budget cuts and restrictions.

Disability Determination Program

The mission of the Disability Determination Branch is to determine eligibility for Social Security Disability Insurance and Supplemental Security Income Benefits, and refer those who can benefit, to VR for services.

The Disability Determination Program adjudicates and processes disability claims of Hawaii residents for Social Security Disability Insurance (SSDI) authorized by Title II of the Social Security Act, and Supplemental Security Income (SSI) authorized by Title XVI of the Act.

The SSDI program provides benefits to insured disabled workers and their families based on workers' employment and earnings history. The SSI program serves financially needy aged, blind and disabled

individuals, including those with no recent employment experience. Claimants may also be eligible for benefits under both programs.

1998 Program Outcomes

8,726 disability determination cases were processed;

4,387 favorable determinations were made;

94% accuracy rate achieved on all determinations processed;

358 individuals who applied for SSDI or SSI benefits were referred to the Vocational Rehabilitation Program for services; and,

180 children (under age 16) who were allowed SSI benefits were referred to the Department of Health, Children with Special Needs Branch.

Economic Impact of the Division's Contribution

10,093 individuals currently receive SSDI benefits and 11,179 individuals currently receive SSI benefits. The actual SSDI and SSI payments made to residents of Hawaii totaled approximately \$136,943,000.

Trends

	FY 96	FY 97	FY 98
Claims Processed:	13,173	8,819	8,726
Favorable Determinations:	3,952	2,409	4,387
Accuracy Rate:	96%	97%	94%
Referred to VR:	197	369	358
Payments made to Hawaii's residents:	\$150,192,000	\$142,000,000	\$136,943,000

CHAPTER ELEVEN FRAUD AND RECOVERY ACTIVITIES

Fraud Investigative Activities During 1998

The Investigation Office (INVO) of the Department manages the investigation of fraud in welfare and other program areas.

Complaint and Referrals Received

During the 1998, 3,505 complaints and referrals were received in INVO. This total was similar to last year's statistics. Details of the complaints and referrals received are as follows:

Fraud Hotline & Written Complaints	2,201
Referrals from Income Maintenance Units	<u>1,304</u>
Total	3,505

Case Intake, Screening and Assignment:

All complaints, regardless of source, are forwarded to the Case Control Staff for initial screening.

Initial Investigation in Active Cases

The initial screening identifies complaints pertaining to already active cases. A preliminary limited investigation is made within a 60-day timeframe, with the objective of uncovering sufficient evidence to either close the case or reduce the payments. If sufficient evidence is uncovered to warrant such action, the Income Maintenance Worker (INVO-IMW) of the Case Control Staff reports the evidence to the case Income Maintenance Worker (IMW) for closure or payment reduction action. The case is then, where appropriate, returned to the assigned investigator for follow-up action regarding fraud. During the year, 97 assistance cases were closed as a result of preliminary investigations.

Additional Follow-up and/or Investigation

After initial screening, complaints (other than the active cases described above) are assigned for either administrative or criminal investigative follow-up.

Administrative Resolution

Cases in this category are those in which the degree of flagrancy, i.e., length of fraud period, amount of overpayment, etc., are not sufficiently serious for potential prosecution. Most of such cases are considered appropriate for administrative resolution and are referred to administrative disqualification hearings.

Cases initially classified as priority investigation cases are returned to investigators for possible administrative action. In addition, cases initially identified for potential prosecution may also, after investigation, be administratively resolved, because they do not meet prosecution referral criteria or there are other reasons.

During 1998, 659 cases were considered appropriate for administrative resolution. In 31 other cases, insufficient evidence was uncovered to warrant referral to administrative hearing. In 51 cases,

investigators were unable to locate the accused for service of the hearing notices. The remaining 608 cases were resolved as follows:

<u>Disposition</u>	<u>Cases</u>	<u>Overpayments</u>
Waived Administrative Hearing	474	\$1,407,033
Found Guilty at Administrative Hearing	130	201,917
Found Not Guilty at Administrative Hearing	<u>4</u>	<u>20,161</u>
	608	\$1,669,111

Those persons who either waived the hearing or were found guilty at the hearings were disqualified from participation in the Food Stamp Program for various periods ranging from six months (first offense) to lifetime (for third offense).

Administrative disqualification actions completed in 1998 were slightly less than in 1997 (624 in that year).

Criminal Prosecution Resolution

Sixty-two (62) fraud cases were referred for criminal prosecution during the period. The overpayments in these cases totaled \$1,032,573. This was 12 cases less than the previous year. In 1998, successful prosecution action was completed in 43 cases involving overpayments of \$830,323.

Recovery Activities

In addition to the investigation and resolution of suspected fraud cases, INVO plays several roles in the collection of moneys due to DHS, both fraud-related and non-fraud-related. Some of these activities are as follows:

Overpayment Computations

Computations are made in cases submitted by line-unit IMW, except in cases of suspected fraud that are referred for prosecution. In former cases, computations are either done or verified by INVO-IMW. All overpayment reports are forwarded to INVO where members of the Restitution Control Staff (RCS) will review and batch the cases for input by Case Control Staff (CCS) clerks to the "ARS" (Automated Recovery System).

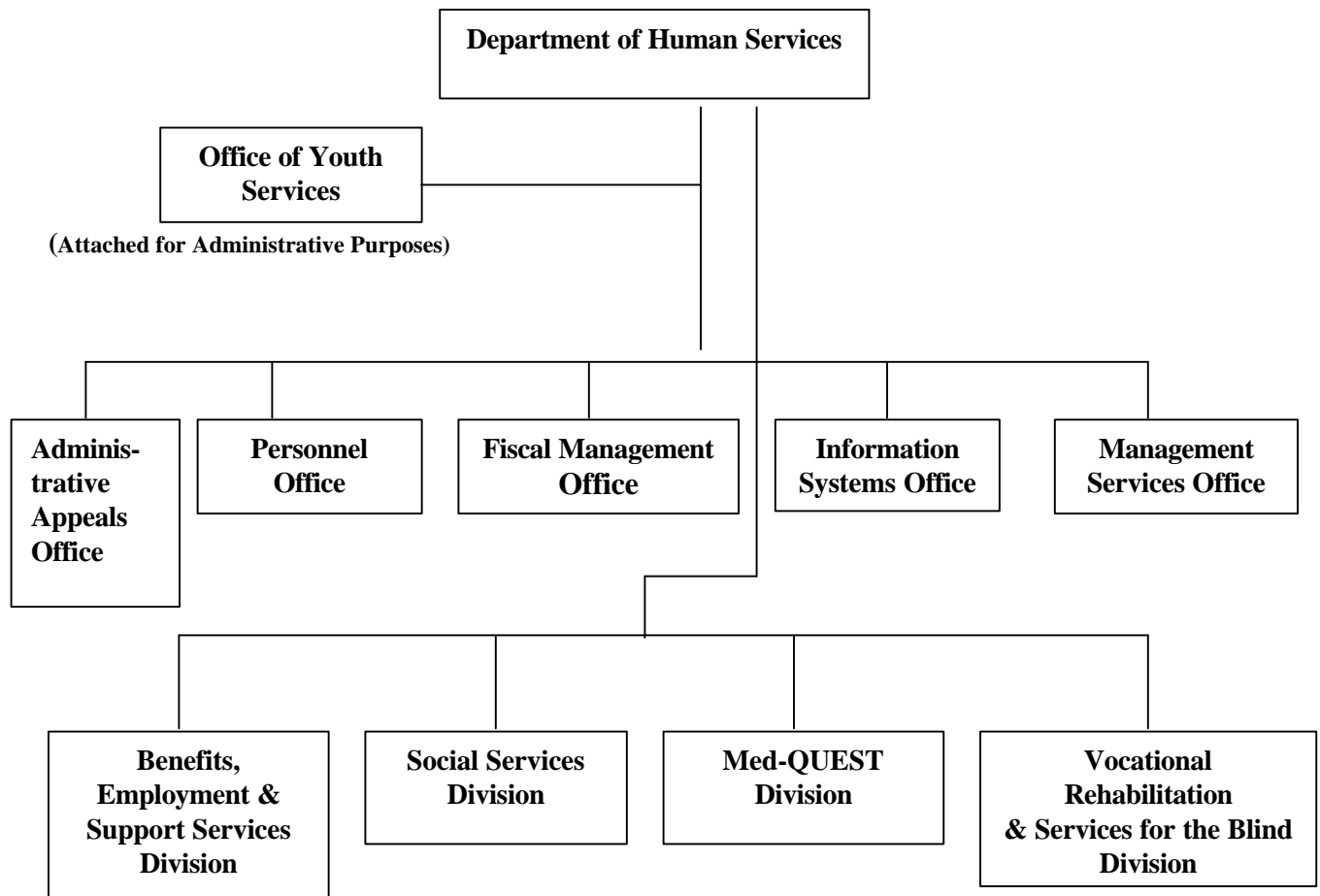
The number of overpayment reports received over the last five years is as follows:

Year	No. of Reports
1994	17,210
1995	19,742
1996	23,056
1997	26,504
1998	20,094

Collections

Fiscal Year	FY 94	FY 95	FY 96	FY 97	FY 98
Current Overpayment Balance	\$6,695,907	\$8,354,790	\$9,235,743	\$9,893,082	\$9,259,739
Amount Collected	\$2,957,269	\$3,558,861	\$3,339,281	\$3,836,486	\$3,818,592

Department of Human Services Organization Chart



**Department of Human Services
Budget for FY 1999
By Division and Attached Agency**

<u>Division</u>	<u>HMS</u>	<u>Program Title</u>	<u>Positions</u>	<u>Amount</u>
BESSD	201	Temporary Assistance to Needy Families	0.00	99,795,876
BESSD	202	Payments to Assist the Aged, Blind & Disabled	0.00	23,086,873
BESSD	203	Temporary Assistance to Other Needy Families	0.00	50,076,537
BESSD	204	General Assistance Payments	0.00	24,761,632
BESSD	206	Federal Assistance Payments	0.00	1,491,331
BESSD	236	Eligibility Determination & Employment Related Services	594.00	24,023,629
BESSD	237	Employment & Training	2.00	2,661,084
SSD	302	Child Care Services	28.00	20,806,552
BESSD	903	General Support for Benefit, Employment and Support Services	101.00	19,871,431
MQD	230	Health Care Payments	0.00	294,657,834
MQD	245	QUEST Health Care Payments	0.00	330,549,925
MQD	902	General Support for Health Care Payments	55.00	17,369,662
SSD	301	Child Welfare Services	365.00	37,619,336
SSD	303	Child Placement Board & Related Client Payments	0.00	19,725,545
SSD	601	Adult Community Care Services Branch	81.50	12,620,653
SSD	603	Home & Community Based Care Services	0.00	46,229,213
SSD	901	General Support for Social Services	24.00	2,970,061
VRD	238	Disability Determination	45.00	3,925,440
VRD	802	Vocational Rehabilitation	115.50	13,584,020
OYS	501	Youth Services Administration	22.00	2,945,944
OYS	502	Youth Services Program	0.00	4,392,916
OYS	503	Youth Residential Programs	75.50	6,414,240
ADMIN	904	General Administration (DHS)	187.00	8,155,713
DHS TOTAL:			1695.50	1,067,735,447

Legend

BESSD = Benefits, Employment and Support Services Division
 MQD = Med-QUEST Division
 SSD = Social Services Division
 VRD = Vocational Rehabilitation and Services to the Blind Division
 OYS = Office of Youth Services
 ADMIN = Departmental administration

**Department of Human Services
FY 1998 Expenditure
By Division and Attached Agency**

Unaudited

<u>Division</u>	<u>HMS</u>	<u>Program Title</u>	<u>Amount</u>
BESSD	201	Temporary Assistance to Needy Families	103,498,598
BESSD	202	Payments to Assist the Aged, Blind & Disabled	22,884,817
BESSD	203	Temporary Assistance to Other Needy Families	44,611,877
BESSD	204	General Assistance Payments	26,816,613
BESSD	206	Federal Assistance Payments	1,044,789
BESSD	236	Eligibility Determination & Employment Related Services	22,425,189
BESSD	237	Employment & Training	1,104,334
BESSD	302	Child Care Services	23,078,458
BESSD	903	General Support for Benefit, Employment and Support Services	19,565,322
MQD	230	Health Care Payments	376,207,090
MQD	245	QUEST Health Care Payments	234,718,643
MQD	902	General Support for Health Care Payments	11,900,182
SSD	301	Child Welfare Services	29,458,074
SSD	303	Child Placement Board & Related Client Payments	19,933,189
SSD	601	Adult Community Care Services Branch	11,846,553
SSD	603	Home & Community Based Care Services	29,636,383
SSD	901	General Support for Social Services	1,967,251
VRD	238	Disability Determination	3,770,468
VRD	802	Vocational Rehabilitation	12,301,747
OYS	501	Youth Services Administration	2,442,225
OYS	502	Youth Services Program	4,263,625
OYS	503	Youth Residential Programs	6,315,946
ADMIN	904	General Administration (DHS)	7,931,653
DHS TOTAL:			1,017,723,026

Legend

BESSD = Benefits, Employment and Support Services Division
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